

A Guide to Using the Budget

Organization. The budget document is systematically organized from front to back, moving from the broadest perspective to department and fund specific information. The document is arranged by fund types; operations financed through similar funding arrangements are grouped together.

The final section of the document provides reference information to enhance readers' understanding of overall concepts and uniformly applicable detail. A companion detail budget document provides specific, in-depth information relative to departments and funds.

The City Manager's Policy Message is the focal point of the entire document. The City Manager's Policy Message presents in policy format the issues facing the City along with the City Manager's recommendations for addressing the issues through the budget.

The City Profile section provides a historical outline of the City of Wichita. In addition, the City Profile reports demographic information, as well as information on industry and employment. Selected measures and projections of community growth that have assisted the budget process are reported in the City Profile.

The Budget Process section provides a budget calendar and basic information about the budget process.

Summaries of Revenues and Expenditures are in the following section. Often called the City's "total operating budget," the summaries in fact are a combined presentation of operating budgets (or legal funds) that are established as locally funded operations. Trust funds, grant funds, and capital funds are not included.

The largest section of the budget document contains department presentations or budgets, organized within each fund. Each department or unit presentation includes a mission statement, an overview of the services provided, a discussion/analysis of the financing and operations issues, and a synopsis of key performance data.

The final section of the budget document contains Other Information, and provides supplementary detail for the rest of the document.

Budget and Planning Documents. Altogether, several documents are produced to be used as tools in the financial planning and policy making process, and are available as references during the implementation of programs:

The **City of Wichita Financial Plan** presents economic and financial assumptions, preliminary revenue projections, current level expenditure estimates, and balances for five

years into the future (generally prepared in the spring of each year).

- The **Proposed Annual Budget** contains the City Manager's proposal to meet the City's operating needs for a two-year (continually rotating) period, along with revenue estimates and decision points for City Council action (published in July). A companion publication, the **Proposed Budget Detail**, provides detailed revenue and expenditure information.
- The **Adopted Annual Budget** contains the operating expenditure limits (by fund) approved by the City Council and certified to the state of Kansas for the coming calendar year (published in November). The companion detail publication is the **Adopted Annual Budget Detail**.
- The **Capital Improvement Program** provides the ten-year program for planned capital projects and the means of financing them.

Fund Structure. The largest section of the budget and budget detail documents is organized according to the fund types and corresponds to the Comprehensive Annual Financial Report (CAFR). The CAFR format permits a fairly direct comparison of budget allocations and expenditures with financial reports.

The budget documents present department and other organizational unit budgets within funds in the following order:

Governmental Funds. Governmental funds are used to account for operations that rely mostly on current assets and current liabilities.

- The **General Fund** finances most current operations (other than operations of the self-supporting proprietary funds). General Fund operations are Police, Fire, Public Works, Park, Library, Art Museum, Law, Municipal Court, Finance, Health, Human Services, City Council, City Manager and General Government (Personnel, Management Services, and Property Management). Primary funding sources are property taxes, motor vehicle taxes, franchise taxes, state-shared revenues, and user fees.
- The **Tourism and Convention Fund** supports tourist attractions with monies collected through the transient guest tax.
- The **Special Alcohol Programs Fund** receives state-shared alcohol liquor tax revenues, which are

spent only for services or programs dealing with alcoholism and drug abuse prevention and education.

- The **Special Parks and Recreation Fund** receives state-shared alcohol liquor tax for the support of park and recreational services, programs, and facilities.
- The **Landfill Fund** receives income through a lease agreement with a private contractor, to support activities at refuse disposal sites and environmental management needs.
- **Central Inspection Fund** utilizes permit and license fees to monitor and regulate compliance with City codes on building construction, housing maintenance, signs, and zoning.
- The **Property Management Operations Fund** utilizes rental revenues and other earnings from City-owned properties to manage and dispose of them.
- The **State Office Building Fund** uses building and garage rent payments, and parking space revenues, to manage custodial and maintenance functions of the State Office Building.
- The **Debt Service Fund** accounts for the payment of interest and principal on long-term general obligation (GO) debt. Sources of funding include property taxes, special assessments, sales tax, bond proceeds, interest earnings, and miscellaneous sources.

Enterprise Funds are used for government functions that are self-supporting. Enterprise funds belong to the group of funds called "proprietary," and are operated much like a business, with a balance sheet for all long term debt obligations, assets and liabilities. These funds provide services to the community at large, in contrast with internal service funds (another kind of proprietary fund that provides services within the City organization).

Each enterprise operation receives revenues from the sale of services or user fees. The operations generally do not receive tax support, except for Transit, which receives a subsidy from the General Fund.

The City has six enterprise funds:

- The **Wichita Airport** provides facilities for air transportation services for the public, business, and industry.
- The **Golf Course System** provides four public golf facilities that are supported by user fees.

- **Wichita Transit** provides public access bus service through regular route services and special charter services.
- The **Sewer Utility** operates and maintains the sewer component of the combined Water and Sewer Department, including wastewater treatment plants.
- The **Water Utility** operates and maintains the water component of the combined Water and Sewer Department, providing and distributing a safe and reliable supply of water from the equus beds and from Cheney Reservoir.
- The **Storm Water Utility** is responsible for the construction and maintenance of the City's storm water system.

Internal Service Funds provide services for City departments at cost. Like enterprise funds (which provide services externally), internal service funds belong to the "proprietary" group of funds. The funds are operated like a business, with a balance sheet for all assets, current liabilities and long term obligations.

The City has five internal service funds:

- The **Data Center** is responsible for coordination of the City's office automation and data processing.
- **Fleet and Buildings** includes the equipment motor pool and central maintenance facility.
- **Self-Insurance** accounts for the self-insurance programs of health, workers' compensation, group life, employee liability, property damage, and general liability.
- **Telecommunications** provides centralized management of the large digital switch, long distance usage, smaller telephone systems, and miscellaneous telecommunications.
- **Stationery Stores** provides all departments with office supplies, duplication and printing services, mail room service, photocopying, and microfilming at the most economical cost.

Trust Funds. Trust funds are used when the City is custodian of monies that are to be reserved and used for a specific purpose. The budget document presents trust funds that are expended according to the conditions of the trusts.

- The **Wichita Employees' Retirement Fund** provides a pension program for noncommissioned employees. The City's contribution is budgeted within the operating departments.

- The **Police and Fire Retirement Fund** provides a pension program for commissioned Police and Fire personnel. The City's contribution to this pension program is budgeted within the operating departments.
- The **Employee Training Fund** provides in-house training and workshops for all City employees and off-site training for General Fund personnel, when such training is not offered in-house.
- The **Cemeteries Trust Fund** uses interest earnings and charges for services to maintain Highland Park and Jamestown cemeteries.
- The **Environmental Management Trust Fund** receives revenues through Landfill fees for current and future expenditures related to environmental management concerns.
- The **Tax Increment Financing Fund (TIF) District #1** receives support from a property tax increment and potentially responsible parties in the Gilbert and Mosley site, to fund remediation and clean-up of groundwater contamination in the district.
- The **Tax Increment Financing Fund (TIF) District #2** receives support from a property tax increment and potentially responsible parties in the North Industrial Corridor District, to fund remediation and clean-up of groundwater contamination in the district.
- The **Trolley Trust Fund** receives contributions, fares, and other revenues to finance operating and maintenance costs of this self supporting operation.
- The **Economic Development Trust Fund** provides management for the City's ongoing capital financing program as well as the administration for special financing projects.
- The **Wichita State University Management Trainee Trust Fund** supports three management interns in full time cooperative work arrangements with City departments.

The chart on the next page provides a graphic representation of the fund structure utilized by the City budget. Efforts have led to a consolidation of funds (for example, more than a dozen property tax supported funds have now been consolidated into the General Fund and Debt Service Fund). Fund consolidation, along with automated data system accounting, allows improved costing to programs (and cost recovery where appropriate) and maximizes City Council financial flexibility in policy making.